

October 22, 1984

THE JAPANESE

Everything's coming up rose-colored



Photo by Joe Wilssens

When Japanese eyes are smiling,

Sure, 'tis like a morn in spring.

In the lilt of Tokyo's

laughter,

You can hear the Shintos sing.

Ancient Japanese folk song.

—Anon.

Ah, faith and tempura! Sure, and 'tis been a fine winter, spring, summer and fall this year in the land of cherry blossoms and auto plants.

It's no surprise, then, that Japanese eyes are truly smiling, for—as 1984 winds down and 1985 cranks up—everything's coming up rose-colored in the Land of the Rising Sun's adventurous auto industry.

Thanks in part to a bustling U.S. economy, and helped rather than hindered by U.S. import quotas on their cars, Japanese auto companies are hauling in dollars hand over fist, and are gazing anxiously ahead to next spring when their voluntary restraint agreement (VAR) ends and some 1.9 to 2.3 million Japanese cars a year are ready to rush into the U.S. (Page E-16).

With that thought tickling their marketing fancies, the Japanese are injecting heavy doses of high-tech into products they are preparing to export to the U.S. next year, thereby seeking to enrich the appeal and profitability of cars and trucks sent here (Page E-2).

Other trends are traced in this special Automotive News Extra on "The Japanese":

They are becoming increasingly aggressive in global plans to build factories in major vehicle markets and form joint operations with overseas rivals (Page E-6).

They are continuing to dominate global manufacturing, turning out 11.1 million vehicles last year, good for 27 percent of all vehicles produced worldwide, while topping the U.S. and European Economic Community for leadership the fourth straight year (Page E-8).

They are preparing to send a giant wave of big vehicles—medium and heavy-duty trucks, and diesel equipment—to U.S. shores in the near future (Page E-20).

The ranks of Japanese car-making facilities in the U.S. are swelling as Honda and GM-Toyota step up the action, and a Nissan Sentra model gets ready to go into production in Tennessee next April (Page E-26).

Wrapping up this section are a rundown on Japanese vehicle exports (Page E-30) and a study of Japanese labor rates and practices throughout the world (Page E-28).

—Al Fleming, Industry Editor

Vehicle production giant

North America is Japan's largest market

By John Hartley
Staff Correspondent

With a total production of 11.11 million vehicles, Japan built 27.8 percent of all vehicles produced worldwide last year. For the fourth successive year, output exceeded that in either the U.S. or the European Economic Community. This year, output is expected to increase slightly.

Although Japan produces a large number of passenger cars, it is also a big producer of light trucks in the one- to three-ton capacity class. Thus, last year, passenger car production amounted to 7.15 million, while 3.96 million trucks were built. It also has a substantial heavy-duty truck industry, which apart from Mitsubishi and Isuzu consists of Hino, affiliated to Toyota, and Nissan Diesel.

Interestingly, 90 percent of Japan's passenger car produc-

tion is for autos with engine capacities of 551-2,000 cc. Midsize cars of less than 550cc account for 2.9 percent, and cars of over two liters only 6.9 percent. However, in Japan, sales of autos in the 2.0-3.0-liter class are relatively strong, an indication that it is in the lower classes that the Japanese have established their export markets. They are still unable to sell their more luxurious models overseas in worthwhile volume.

In total, Japan exported 3.8 million passenger cars and 1.86 million trucks last year, and the largest exporters of passenger cars are: Toyota, 1,069 million; Nissan, 953,000; Honda, 603,000; Mazda, 590,000; Mitsubishi, 302,000; Fuji (Subaru), 142,000; Daihatsu, 63,000; Isuzu, 44,000, and Suzuki, 37,000.

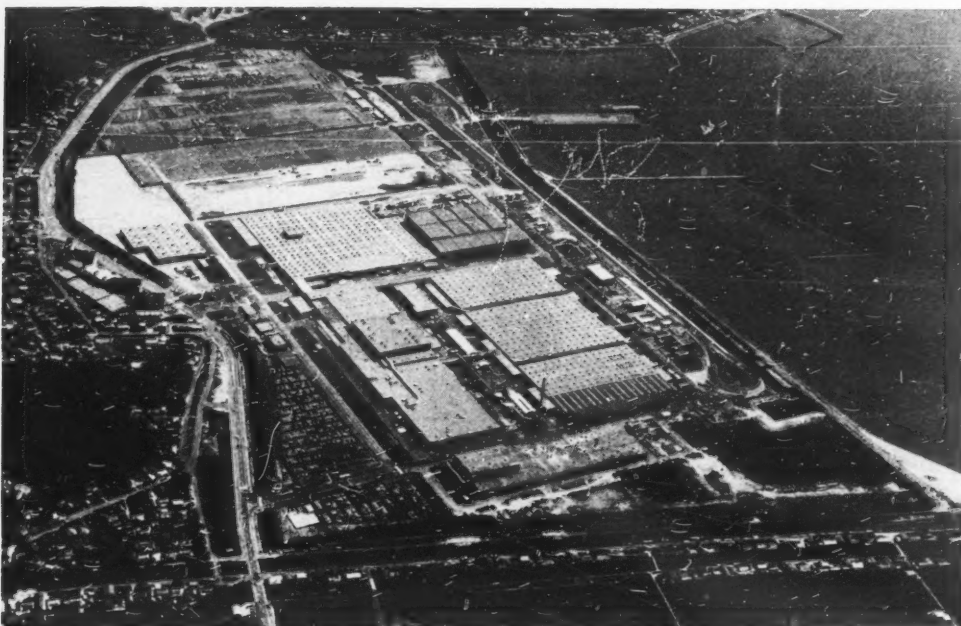
Despite voluntary restraint, North America still remains the largest market by a substantial margin, with 2.447 million units last year. Exports to Europe have increased from 956,000 to 1.27 million in the period 1979-83, while exports to the Middle East have increased by about 50 percent from 389,000 to 623,000 in the same period. Southeast Asia took 539,000 vehicles, and Oceania, which includes Australia, 346,000 units. Exports to South America and Africa are running at over 200,000 units each.

Toyota, despite being by far the biggest producer and exporter of built-up units is not the biggest exporter of KD sets. Nissan is the biggest with 211,000 sets (8.5 percent of production), followed by Mazda with 174,000 sets (14.8 percent) — including many sold to Ford — followed by Honda with 139,500 (13.5 percent). Then comes Toyota with 139,000 sets (4.2 percent). Mitsubishi shipped 67,000 sets (6.8 percent in 1983, while Isuzu's business seems to be dwindling. In 1983 it shipped 28,600 sets (7.3 percent), down 38 percent from 1982.

The Japanese are blessed with a large domestic market. Passenger car sales amounted to 3.03 million units last year, which although small compared with the 7.7 million in the U.S., is 50 percent bigger than West Germany's 2.15 million or France's 2.05 million.

A profile of each company follows in the tables below. Total employment in each is small. One reason for this is the undoubted efficiency of the plants, but another important factor is that the Japanese produce far fewer components in-house than their American and European rivals. For example, whereas there are 59,000 employed by Toyota, the main subsidiaries employ another 40,000, without taking into account Nippondenso, the component supplier in the Toyota group, which employs another 27,000 people.

In the Nissan group, employment by affiliates is greater than that by the parent company, and in all cases there are many small companies which rely almost exclusively on one of the auto companies for the bulk of its business. Thus, when it comes to employment and the operations performed, the auto companies themselves are just the tip of the iceberg of the Japanese auto industry. □



Newest plant in Japan is Mazda's sprawling assembly operation for its 626 car line at Hofu.

JAPANESE AUTO COMPANY PROFILES

Honda Motor Co. Ltd.
Chairman, age: Hideo Sugiura, 58
President, age: Tadashi Kume, 52
Number of employees: 51,300
Total production, 1983: 1,171,940 (997,186 passenger cars, 174,750 commercial vehicles)
Main plants: Sayama, Suzuka
Body and assembly: 4,900 8,800
Number of employees: 4,900 8,800
Engine/transmission plants: Wakoh, Mohka, Suzuka
Number of employees: 1,800,650, (Suzuka included above)
Main subsidiaries and affiliated companies: Honda R&D, Honda Engineering, Press Giken, Seiki Giken
Major overseas plants: Marysville, O., U.S., 1,700 employees

Toyota Motor Co.
Chairman, age: Eiji Toyoda, 71
President, age: Shoichiro Toyoda, 59
Number of employees: 59,000
Total production, 1983: 3.27 million (2.38 million passenger cars, 891,582 trucks and buses)
Main plants: Motomachi, Takaoka, Tsutsumi, Tahara
Body assembly: 5,000 5,600 5,500 3,100
Number of employees: 5,000 5,600 5,500 3,100
Engine/transmission plants: Kamigo, Shimoyama, Kinu-ura (transmissions)
Employees: 3,400 1,600 1,800
Main subsidiaries and affiliated companies (employees): Toyota Automatic Loom Works (6,300), Toyota Auto Body (6,600), Kanto Auto Works (5,700), Aisin Seiki (8,000), Nippondenso (27,600), Toyota Gosei (4,700)
Overseas plants: Many KD plants, involved with GM in NUMMI, Fremont, Calif.

Nissan Motor Co.
Chairman, age: Katsuji Kawamata, 79
President, age: Takashi Ishihara, 72
Number of employees: 59,000
Total production, 1983: 2.48 million (1.858 million passenger cars, 623,000 trucks and buses)
Main plants: Oppama, Zama, Murayama, Tochigi, Kyushu
Body assembly: 8,000 6,200 6,600 8,600 4,600
Number of employees: 8,000 6,200 6,600 8,600 4,600
Engine/transmission plants: Yokohama, Yoshiwara
Employees: 8,800 5,300
Main subsidiaries and affiliated companies (employees): Nissan Diesel (7,300), Nissan Shatai (6,800), Atsugi Motor Parts (4,300), Nihon Radiator (4,800), Aichi Machine Industry (4,400), Kanto Seiki (3,000), Ikeda Bussan (1,500)
Overseas plants: Truck plant, Smyrna, U.S., Motor Iberica (subsidiary) truck complex, Spain, engine and body assembly in Mexico, plant planned in UK, and many KD plants

Mazda Motor Corp.
Chairman, age: Masaji Iwasawa, 71
President, age: Yoshiki Yamasaki, 70
Number of employees: 27,300
Total production, 1983: 1.17 million (861,000 passenger cars, and 309,000 trucks and buses)
Main plants: Hiroshima, Hofu
Body assembly: 22,463 2,521
Number of employees: 22,463 2,521
Engine/transmission plants: Hiroshima, Miyoshi
Employees: See above, 414
Main subsidiaries and affiliated companies (employees): Kurashiki Chemical Co. (700)
Overseas plants: Many KD plants

Mitsubishi Motors
President, age: Toruo Tojo, 70
President, age: Toyoo Tate, 64
Number of employees: 25,000
Total production, 1983: 984,549 (530,096 passenger cars, 454,453 commercial vehicles)

Main plants: Body assembly
Number of employees: 2,700 1,600 5,900
Engine/transmission plants: Kyoto, Shiga
Employees: 3,700 170
Main subsidiaries and affiliated companies: Tohoku Mitsubishi Automotive Components, Kureha Motors Corp., Japan Automotive Engineering Corp.
Overseas plants: KD plants in 24 countries, mostly joint ventures or locally owned. The company also has a small stake in Hyundai Motors, Korea, which produces mechanical units under license, and is about to start to produce a front-wheel drive auto based on Mitsubishi design, and is involved in a similar way in the Malaysian auto project.

Daihatsu Motors
Chairman, age: Sakae Ohara, 67
President, age: Tomanaru Eguchi, 63
Number of employees: 10,500
Total production, 1983: 530,132 (184,088 passenger cars, 346,044 commercial vehicles)
Main plants: Ikeda, Kyoto
Body assembly: 2,853 1,416
Number of employees: 2,853 1,416
Engine/transmission plants: Shiga
Employees: 1,512
Main subsidiaries and affiliated companies: Kanbishi Electric Manufacturing, Asano Gear, Akashi Kikai, Aoi Machining Industry, Fuji Seat Co., Daihatsu Metal Industry, Daihatsu Auto Body

Isuzu Motors
Chairman, age: Kenjiro Sano, 64
President, age: Kazuo Tobiama, 59
Number of employees: 15,199
Total production, 1983: 390,701 (116,184 passenger cars, 274,517 commercial vehicles)
Main plants: Fujisawa, Kawasaki (commercial vehicles)
Body assembly: 8,380 4,000
Number of employees: 8,380 4,000
Engine/transmission plants: Fujisawa, Kawasaki, Tsurumi, Tochigi, Hokkaido
Employees: See above 240 920 80
Main subsidiaries and affiliated companies: Shatai Kogyo, Tokyo Tankojo, Sanwa Chuzosho, Jidosha Imono, Piston Seizo, Jidosha Buhin Kogyo, Press Kogyo, Jidosha Kiki, Tokyo Radiator, Diesel Kiki, Kanimatsu Kogyo

Fuji Heavy Industries (Subaru)
Chairman, age: Eiichi Ohaara, 72
President, age: Sadamichi Sasaki, 73
Number of employees: 13,700
Total production, 1983: 540,680 (230,462 passenger cars, 310,218 commercial vehicles)
Main plants: Gunma (includes North Gunma, Yajima & Oizumi)
Body assembly: 5,950
Number of employees: 5,950
Engine/transmission plants: Mitaka
Employees: 1,760
Main subsidiaries and affiliated companies: Dai-ichi Tanzo, Fuji Machinery

Suzuki Motor
President, age: Osamu Suzuki, 53
Number of employees: 11,800
Total production, 1983: 646,954 (137,528 passenger cars, 509,426 commercial vehicles)
Main plants: Kosal, Iwata
Body assembly: 1,850 1,700
Number of employees: 1,850 1,700
Engine/transmission plants: Kosal, Iwata
Employees: See above
Overseas plants: Vehicles built from KD kits in ten countries, including Spain, India, Pakistan, the Philippines and New Zealand

Japanese car makers are in the money

Nearly 80 percent of their profits come from the U.S.

By Michelle Krebs
Financial Editor

Thanks to a booming U. S. economy, and motivated by voluntary import restraints, the major Japanese auto companies are making more money than ever. And they're doing so with little change in sales volume.

Nearly 80 percent of the Japanese auto makers' latest fiscal-year profits came from the U. S., where they currently are restricted to total sales of 1.85 million passenger cars a year, said Mori Matsumoto, vice president of institutional sales of Yamaichi International (America) Inc., New-York-based unit of one of Japan's major securities firms.

"It's a little recognized fact that Japanese auto profits right now are at record levels in the U. S. with the quotas," said auto analyst Maryann Keller, a director of Vilas-Fischer Assoc. She estimates Japanese auto makers collectively made one trillion yen (more than \$4 billion at current exchange rates) in the U. S. this year.

The Japanese companies' overall profits, however, were offset by losses in their home market, where demand has been weak, as well as other countries.

The Voluntary Restraint Agreement (VAR) has allowed Japanese companies to upgrade their product mix and increase prices, adding to profitability. The current agreement expires next April.

Toyota Motor Co. and Nissan Co. Ltd. enjoyed record dollar sales this year, although unit sales were up only marginally.

The only substantial gain the Japanese companies made in unit sales were in CKD kits, cars with less than 50 percent Japanese content and assembled in other countries. Toyota's CKD exports increased about 25 percent, Nissan's were up almost 40 percent.

Toyota showed the biggest increase in unit sales with a five-percent gain. On that, the company rang up sales equivalent to \$25 billion, up 11 percent from the year before.

Nissan, which celebrated its 50th anniversary in 1984, recorded sales of nearly \$15 billion, up 8.5 percent from the preceding year, on unit sales that were up only 1.5 percent.

Nissan's net income showed a 26.1 percent decline, because, the company said, the yen was stronger. (The yen has fluctuated from 220 to 245 per dollar, down from about 277 two years ago.) Nissan's ventures in Spain, Italy and Mexico, where heavy capital investments were made, also have not been as profitable as its U. S. operations.

Honda Motor Co., which celebrated its 35th anniversary, set a new sales and income record, mainly because of the strong U. S. market.

Japan's smaller car producers, however, are not sharing in the wealth. Since the allocations under VAR are determined by the company's market share prior to the restraints, the smaller companies virtually have been frozen out of the U. S. market, Matsumoto said.

Small companies had geared up for greater production capacity, anticipating an increase in exports to the U. S. As it turned out, however, Isuzu, for one, is operating at less than 40 percent capacity after building a new facility, noted Ted Sullivan, analyst for Data Resources Inc.

Moreover, the smaller producers' predicament may not be cured simply by lifting or liberalizing import restraints, as is expected to happen.

Analysts believe Japanese car companies will continue to show export restraint, even if

said, will be the lack of a large enough dealer network.

A number of trends are emerging among Japanese auto companies, analysts note.

For one, their per-unit costs are rising for the first time, mainly because of a richer product mix in their car lines.

"It's a fundamental change in strategy. They're joining the ranks of European and U. S. auto companies of offering loaded vehicles," said Anderson.

In addition, Anderson detects a divergence among Japanese companies. Previously, they all moved in the same direction, but now they are developing individual philosophies.

Honda is the favorite Japanese auto maker among the analysts interviewed because of its aggressive international strategy.

"Honda is absolutely brilliant," said Anderson. "They should be written up in a textbook on how a small company should go international."

Despite heavy investments in plants outside of Japan, Honda's balance sheet remains strong. In addition, the company's management has been particularly adept at understanding other cultures, "which is more important than just putting up a factory," Anderson said.

Honda also is Matsumoto's number one pick. Honda is continually improving its brand name recognition, he said, "and that is true in the U. S. as well as in Japan." In both countries, Honda is popular among young buyers, and Matsumoto sees Honda becoming even more successful as those young people become more affluent.

Matsumoto said Nissan also will be "worth watching" in the next few years because it, too, is aggressively flexing its international muscle, although it currently is suffering what Anderson calls "digestive distress."

Matsumoto said Toyota, which he considers to be first in product quality and reliability, has been too conservative in building plants overseas and should be following the lead of Honda. Toyota's U. S. car-making venture with General Motors Corp. isn't enough, he said. "They are three times bigger than Honda so it should be internationalizing three times faster than Honda," Matsumoto said.

Going international will become particularly important in the future as Japan's domestic car demand stalls. AUTOMOTIVE NEWS WORLD OUTLOOK, generated in cooperation with Data Resources Inc., shows a stagnation of new car sales in demand next year and gradual increases throughout the decade.



Youth for Understanding's 100,000th exchange student, Andy Goldfarb, holds a letter of congratulations from President Reagan while YFU founder Rachel Andresen and Mazda (North America) Inc. president Akira Toriyama look on.

Youth for understanding Mazda provides student scholarships

Youth for Understanding, an international student exchange organization, recently honored its 100,000th student, Andy Goldfarb, of Allentown, Pa.

Goldfarb, 16, a senior at Phillips Exeter Academy in New Hampshire, traveled to Kyoto, Japan last summer on a scholarship provided by Mazda Motor Corp.

The teenager was guest of honor at a Washington D.C. reception at the Youth for Understanding International Center. During the evening's festivities, White House aide Eileen Petersen, associate director for Public liaison-youth affairs, delivered a letter to Goldfarb from President Reagan congratulating the youth for his part in the Youth for Understanding exchange program. The letter reads:

"Congratulations on becoming Youth for Understanding's 100,000th exchange student. You, your family and Youth for Understanding should be proud of your achievement and Mazda Motor Corp. can take pride in its scholarship program which allowed you to pursue your studies in Japan."

"Nancy and I are firm believers in student exchange and cultural awareness. For this reason, we created the Presidential International Youth Exchange Initiative, which is an ongoing program."

"Best wishes for your continued success."

Akira Toriyama, president of Mazda (North America) Inc. said, "Mazda is fortunate to be the sponsor of the 100,000th YFU exchange student. As Mazda's relationship with many countries throughout the world continues to grow stronger, we are constantly reminded of the importance of cultural awareness between nations. YFU takes an important step in this direc-

tion, and Mazda looks forward to continued support of this program."

Toriyama said the auto company is planning to expand its sponsorship commitment next year. In addition to sending 10 American students to Japan for the summer, the auto company will bring three Japanese students to the U.S. for a year.

Rachel Andresen founded YFU in 1951. Her goal was to replace hostility between suspicious nations with friendship and understanding. Andresen said, "Andy's participation as the 100,000th student symbolized the contributions of thousands of others who have actively engaged in strengthening international friendships through YFU over the past three decades." □

Coatings deal New company formed

IRVING, Tex. — Diamond Shamrock Chemicals Co. and Tokyo-based Nippon Oil & Fats Co. Ltd. have signed a definitive agreement forming a previously announced international corrosion-resistant coatings business headquartered in Chardon, O. The name of the new corporation is Metal Coatings International Inc.

Under the agreement, the two companies will each contribute various assets including expertise in technology, licensing and marketing. A letter of intent to form the 50-50 joint venture was signed July 3.

The new company, which will continue the business activities formerly conducted by Diamond Shamrock Chemicals Co.'s Metal Coatings Division, licenses proprietary coatings that protect steel and aluminum against corrosion.

Daniel Rakich has been named president and chief executive officer of the new firm. According to Rakich, "The formation of Metal Coatings International will strengthen our worldwide sales and marketing effort."

Diamond Shamrock Chemicals manufacturers and markets commodity and specialty chemicals. Nippon Oil & Fats Co. is primarily a paints, chemicals and food products firm. □

FINANCIAL RESULTS FOR JAPAN'S AUTO MAKERS

	Yen Sales (In Billions)	Dollar Sales (In Millions)	Percent Change	Net Income Yen (Billions)	Net Income Dollars (Millions)	Percent Change	Unit Sales	Percent Change
TOYOTA—For fiscal year ended June 30, 1984	5,909.0	\$25,145	+11.0%	294.8	\$1,255	+29.2%	3,369,893 ¹	+ 5.0%
NISSAN—For fiscal year ended March 31, 1984	3,460.1	14,724	+ 8.5	70.5	300	-26.1	2,499,368 ²	+ 1.5
HONDA—For 12 months ended Feb. 29, 1984	2,374.0	10,102	+ 6.5	95.6	407	+32.3	1,122,000 ³	+ 0.6
MAZDA—For 12 months ended April 30, 1984	1,408.4	5,993	+12.1	26.6	113	+ 3.5	1,344,232 ⁴	+19.0
MITSUBISHI—For 12 months ended March 31, 1984	1,173.6	4,994	+10.6	5.5	24	-56.1	1,044,100 ⁵	+ 1.1
ISUZU—For fiscal year ended Oct. 31, 1983	684.6	2,913	- 4.8	5.3	22	-12.4	377,373	-11.1

Notes: (1) Excludes CKD kits which totaled 106,700, up 24.8 percent from last year. (2) Excludes CKD kits which totaled 224,740, up 39.8 percent from last year. (3) Includes only automobiles, not motorcycles. (4) Includes 182,220 CKD kits. (5) Includes 89,500 CKD kits. (Dollar figures in all cases are translated at 235 yen equal \$1.)

Big-vehicle wave moving in from Japan

U.S. is biggest and brightest of remaining targets

Something is happening in North America that has the heavy-duty vehicle and diesel market quaking. In fact, the medium and heavy truck, construction vehicle and other big-equipment markets in the U.S. are waiting for a great wave they know is coming.

Riding the wave, from across the Pacific, are such names as Isuzu, Komatsu, Hino, Mitsubishi and Nissan.

Currently, the medium and heavy-duty vehicle population in the U.S. is nearly all domestic. The same is true in the construction and agricultural vehicle market.

But as market observers point out, the same could be said of the U.S. passenger car and light-truck markets not too many years ago; and now that Japanese producers have pretty much exhausted their market penetration prospects for big vehicles in overseas markets, the U.S. is the biggest and brightest remaining target.

"A serious look at the North American heavy-duty segment justifies concern by domestic OEMs," notes Gregory Macosko, principal in ACS Ltd., a consulting firm in Stamford, Conn. "We feel the heavy-duty market will be the next battle ground, although domestic producers (of big equipment) are not as vulnerable as their cousins in the car business."

Macosko adds: "The most

heartening developments are actions taken by U.S. manufacturers to shore up positions for the onslaught. There is little doubt that the Japanese are coming, which is born out by the events of the last six months.

"They will cut prices, keep quality high and enter by predictable paths pioneered in the automotive market. Their primary objective will be market share growth by penetrating a narrow product segment, usually at the less-expensive low end of the market."

"The no name-plate route is being followed by Isuzu which is currently selling medium diesels as Chevrolet Tiltmasters and GMC Forwards. At the same time, Isuzu is speeding up a move to independence by offering its smaller KS truck through a growing dealer network. All imported trucks are fully Isuzu from chassis to engine, and larger trucks could be sold to buyers familiar with the GM Isuzu models," says Macosko.

The joint-venture route has been followed by Japanese automotive manufacturers to license products from, or jointly develop technology with, U.S. companies. "The diversity of the construction equipment market has made joint-venture important, and Komatsu has followed this approach," says Macosko.

Since the late 1960s, Komatsu has worked under various agree-

ments to improve its diesel technology and develop excavator and loader lines. After a 10-year gestation period, Komatsu began to seriously challenge Caterpillar's U.S. position by introducing many new products.

"Expanding from a few models of durable and flexible bulldozers, Komatsu has an equipment line which should enable it to increase market penetration and assemble a solid dealer network," says Macosko. "And its expansion is not stopping in the construction market. It is already investigating industrial and agricultural applications for its diesel engines."

The direct-entry route was initially followed by Toyota and Nissan who prefer to take first-hand market experience home and incorporate it into product designs and manufacturing technology. These two giants are now using their considerable knowledge of the North American market to quickly develop a significant position in mid-range and eventually heavy duty trucks.

"Hino/Toyota and Nissan Diesel are carefully separating their truck and automobile organizations, and will undoubtedly tailor sales and service to the specific needs of truckers," says Macosko. "The experience and quality image of these two companies will lower the risk of a quick and direct approach. Hino's confidence is high, and it wasted no time setting up an assembly plant."

Macosko says a "feeling of inevitability" prevails heavy-duty participation by the Japanese and they will carve out a position for themselves. But some significant characteristics differentiate the automotive and the heavy-duty segments, he says. "The Japanese will have to account for this in their market penetration plans, and overconfidence may not be appropriate at this point. U.S. manufacturers should try to turn these differences to their advantage."

One critical factor is customer loyalty. Heavy-duty owners do not turn over their trucks and equipment as frequently as car owners do, and the average truck is older than the average car. Breaking this foundation of customer loyalty will require a wide price and quality differential.

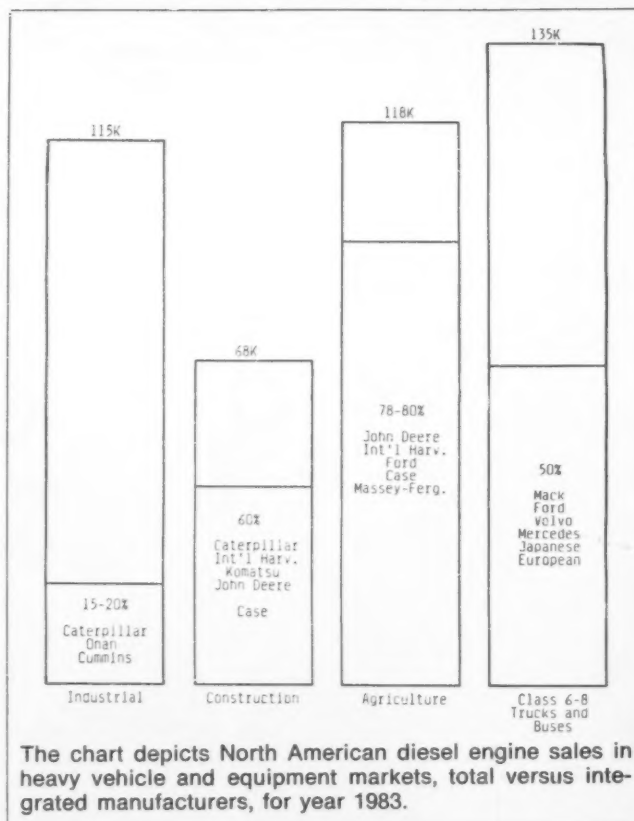
In the 1970s, imported cars competed effectively in the compact segment because U.S. auto makers had limited manufacturing and selling experience in this segment, and because the sharp rise in gasoline price accelerated the shift to smaller cars.

But U.S. heavy-duty manufacturers are addressing the price differential, and there is no overwhelming operational cost factor such as fuel price, which is forcing heavy-duty buyers to question traditional loyalties.

"The Japanese have wisely selected medium diesels as their point of penetration, and U.S. manufacturers should not ignore the implications of this move," Macosko says.

Then there is engine/truck integration. Trucks are the largest diesel segment, and the separate identity of truck and the engine is unique to North America.

While Mack and Mercedes are fully integrated producers,



The chart depicts North American diesel engine sales in heavy vehicle and equipment markets, total versus integrated manufacturers, for year 1983.

a typical Class-8 truck can be purchased with a variety of engines supplied by different engine OEMs. This independence of choice is valued by truckers and presents problems for importers who prefer uniformity. However, smaller trucks are not usually sold this way, which is one reason why the Japanese are entering this segment.

Ford is shifting toward full integration, and Volvo and Mack are selling more integrated medium trucks. An important factor in the Class-8 segment will be whether or not Mercedes eventually prohibits the installation of competitive engines in Freightliner trucks.

"Mercedes' acquisition of Freightliner should make truck OEMs seriously consider a long-term relationship with a single engine supplier. The only way engine OEMs can strengthen their position is by increasing opportunities for truckers to stipulate a variety of engines in smaller trucks. This will not be easy," Macosko says.

As for the dealer/service network, at least 60 percent of heavy-duty equipment parts are sourced through OE dealers.

Unlike the automotive market, truck and equipment dealers and manufacturers have guarded replacement part sales. Foreign equipment manufacturers will have a particularly difficult challenge matching the coverage of domestic manufacturers because dealer parts and services are highly profitable.

"Domestic OEMs have large equipment populations, and a strong dealer will think twice before trading aftermarket revenue for the narrow margins on new equipment sales," says Macosko. "The Japanese are trying to attract strong dealers who will add a new line of equipment to their existing domestic line. U.S. manufacturers might consider the risks of forcing their dealers to choose between competing lines of equipment."

Traditionally the heavy-duty market has been generous to most participants, but first the recession and now stiff competition are undermining profits. "Every offensive and defensive opening should, and undoubtedly will be examined by Japanese and U.S. manufacturers," says Macosko. □

Nissan Diesel is on the way

Bets are on a Group 8 commercial vehicle

By Arthur Flax
Assistant Truck Editor

If one were a better, one might like to wager that Nissan will be the next Japanese manufacturer to sell commercial vehicles in the U.S.

But it wouldn't be much of a gamble. Nissan Diesel America Inc. has been placing ads in at least one truck fleet maintenance publication here, and the firm has set up headquarters in Irving, Tex.

If one wanted to place a truly interesting bet, one might wager that Nissan will sell a heavy (Group 8) commercial vehicle here.

Niro Tamada, who is "in marketing for Nissan Diesel," said, "We want to market products in the U.S. in the near future."

The specifications for such products, he said, have not been decided. However, Tamada noted that Nissan Diesel America is a separate unit from Nissan's U.S. car marketing arm, specializing in heavy trucks.

"Generally speaking," he said, "we are manufacturers of gross vehicle weight trucks from 20,000 to 100,000 pounds."

Tamada added, "From a marketing point of view, Nissan Diesel will have to sell a whole line of product, but it is very difficult. If we sell a whole line, we must prepare for parts and service... It is very difficult for car dealers to handle trucks. We will have to set up separate dealerships."

Nissan isn't the only Japanese company that is looking at the U.S. as a potential market for heavy trucks. Isuzu recently showed a 110,000 GCW tractor (not for U.S. use) at American

Trucking Associations' Truck '84 show "to get Isuzu associated as a heavy-duty truck maker."

Isuzu also introduced a Group 3 commercial truck at the ATA show and already sells medium-duty trucks here through General Motors.

John D. Rock, manager of GMC Truck and Coach operation, noted during a press conference at the ATA convention (which ran concurrently with the show), that GM does not have exclusive rights to market Isuzu trucks.

He said, "All we've done is make a deal with Isuzu to buy a truck at a spec and a price."

Isuzu and Hino, he pointed out, are vying for the commercial truck lead in the Pacific Basin.

Hino, which is part of the Toyota group, already sells a medium truck in the Southeastern U.S.

Rock, who was previously executive director of marketing for General Motors Holden's Ltd. in Australia, where Japanese commercial trucks have been present for some time, said "Mitsubishi, Nissan and Mazda are on the way in Class 3 through 7. They could go to Class 8."

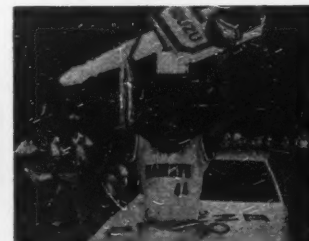
In terms of numbers, the U.S. represents an attractive opportunity for foreign truck builders. Rock predicted U.S. sales of all medium-duty trucks could reach some 140,000 and heavy-duty deliveries 145,000 in 1985.

Foreign truck manufacturers, however, have yet to gain significant market share (with foreign built trucks) in the U.S. industry. □



Trevellyan's 25th

Jim Trevellyan, left, Trevellyan Oldsmobile-Subaru Co., Mission Valley, Calif., receives a 25-year-dealer plaque from John Lennon, Oldsmobile's Los Angeles zone manager.



Isuzu for MVP

Boomer Wells, an American baseball player playing in the Pacific League in Japan, has been selected as the Most Valuable Player in the league for 1984. In recognition of the award, Isuzu presented him with a new Piazza sports coupe. Wells chose to have the same car, called the Impulse in the U.S., delivered to his home in Emerson, Ga.

Labor's a mixed bag from nation to nation

Japan encounters many different national traditions and practices

As they spread their manufacturing wings globally, Japanese auto companies are encountering a variety of labor traditions and practices from country to country.

In Japan, Korea and the Republic of China, usually a single union organizes both blue and white-collar workers of a company. In Spain, Portugal and some other countries, a number of different unions, often at odds with one another, struggle for power. In New Zealand, some 10 unions in different trades are involved in organizing automotive workers.

Recently, the Secretariat of the International Metalworkers Federation, headquartered in Geneva, Switzerland, questioned IMF affiliates about auto companies, union organizations, collective bargaining, wages and

Overtime premium rates range from the lowest of 30 to 40 percent in Japanese domestic companies to the highest of 100 to 200 percent at Nissan Mexicana.

Staged premium rates according to number of hours worked are set in subsidiaries in Mexico, New Zealand, Portugal and the U.S. Premium rates for work on holidays range from the lowest of 35 to 58.7 percent in Japanese parent companies and Yue Loong Motor to 100 to 250 percent in the rest of the operations.

On a contract basis, eight hours per day or 40 hours per week are common except in Mexico and Portugal where contracts provide nine hours daily or 45 hours weekly, and Korea and the Republic of China where six-day work weeks of eight-hours a day (48 hours weekly) still exist.

On a yearly basis, contracts provide 2,368 hours as the maximum for workers in Yue Loong Motor, with 1,826 hours in Motor Iberica at the low end.

Actual working hours present a different picture. On a weekly basis, American and Peruvian workers work 35 hours as the minimum, with Korean workers at Kia Industry in service 60 hours.

On a yearly basis the number of hours worked by the U.S. employees is the least—1,736 hours; workers in a number of companies work over 2,000 hours, the longest being Kia workers—2,910 hours, which is nearly 70 percent more than U.S. workers.

• Labor-management joint consultation system is widely adopted in Japanese companies. The system at Toyota is typical. At Toyota, discussion items vary according to the needs of the different levels of union-company structure (company, branch/plant, shop). Meetings are held three times yearly at company level, four times at branch level, and monthly at the shop level.

Meetings involve the highest responsible persons from both sides at each different level. This indicates the union seems to be well informed on the company's overall strategy and has the opportunity for input on all subjects at different levels.

Korea is a country where the labor-management joint consultation system is compulsory. In other countries discussions generally are held within the

framework of collective bargaining.

Union dues of most unions range between one and two percent of basic wages with the highest being 1.85 percent of earnings in Japanese unions, and the lowest approximately 0.3 percent in Taiwan. Dues generally are collected through the check-off system.

In determining union representation at plant level, generally, a shop steward is elected at each workshop section, the smallest unit of work organization, which forms the basis of union representation at plant level.

One steward for 40 to 60 workers is most common. According to IMF information, the New Zealand engineering union at Mazda has the highest proportion—one steward for four workers.

Collective bargaining of the Japanese companies at the national level is held only in Portugal; elsewhere it is at the company or plant level.

Participants in collective bar-

Hourly Basic Wages at Parent and Subsidiaries of Japanese Auto Multinationals (1983)

(Unit: U.S. dollars)			
Country	Company	Skill Category	Hourly Basic Wages
U.S.	Nissan Motor Corp.	Semi-skilled	\$9.60
U.S.	Honda of America	Semi-skilled	9.60
Japan	Mazda Motor	Average	8.14*
Japan	Nissan Motor	Average	8.07*
Japan	Toyota Motor	Average	8.02*
Japan	Mitsubishi Motor	Average	7.90*
Japan	Honda Motor	Average	7.38*
New Zealand	Mazda Motor of NZ	Semi-skilled	3.96
New Zealand	Nissan Datsun	Semi-skilled	3.91
Spain	Motor Iberica	Semi-skilled	3.55
China	Yue Loong Motor	Skilled	2.54**
China	China Motor	Semi-skilled	2.04
Korea	Kia Industry	Semi-skilled	1.65*
Peru	Toyota del Peru	Semi-skilled	1.42
Mexico	Nissan Mexicana	Semi-skilled	1.10
Peru	Nissan del Peru	Semi-skilled	1.03

Notes: *—Approximately 5-6-month bonus is included. **—1982.
Source: International Metalworkers Federation.

Wages in 1983 ranged from \$1.03 an hour at Nissan Peru to \$9.60 an hour in the U.S.

working conditions around the world. Included in the survey were five Japanese parent companies—Nissan Motor Co. Ltd., Toyota Motor Corp., Mazda Motor Corp., Honda Motor Co. Ltd., and Mitsubishi Motors Corp.

With exception of Japan, it was found wages are determined according to the job level of workers.

In Japan, wages are set by a mixture of elements, although length of service still occupies the most important place.

A considerable amount of bonus (five or six months of wages, considered as basic pay) is paid in Japan, Korea and the Republic of China. A level of nominal wages in 1983 varied greatly from the highest of \$9.60 per hour at Honda and Nissan in the U.S. to the lowest of \$1.03 per hour at Nissan del Peru.

Hourly wages of Japanese domestic companies range from \$8.14 to \$7.38, while those in New Zealand are around \$4 and in Spain \$3.50. Wages in Korean and Taiwanese operations are between one-fourth and one-fifth of the highest U.S. ones, while Peruvian and Mexican wages are from 10 to 15 percent of American earnings.

Hours of Work at Parent and Subsidiaries of Japanese Auto Multinationals (1983)

Group	Country	Company	No. Contractual Working Hours			No. Actual Working Hours		
			Daily	Weekly	Yearly	Daily	Weekly	Yearly
Nissan	Japan	Nissan Motor	8	40	1,888			2,136
	Spain	Motor Iberica	7.75-8.10		1,826			1,826
	Mexico	Nissan Mexicana	9	45	2,340			2,340
	China	Yue Loong Motor	8	48	2,368	7.67	46	2,269.5
	New Zealand	Nissan Datsun	8	40	1,872		40-44	1,920-2,156
	U.S.A.	Nissan Motor	8	40	2,080	7	35	1,736
Toyota	Japan	Toyota Motor	8	40	1,889			2,227
	New Zealand	Toyota NZ	8	40	1,872		40	
	Portugal	Salvador Caetano	9	45		9	45	
	Peru	Nissan del Peru	8	40	2,080	7	35	1,820
Honda	Japan	Honda Motor	8	40	1,885			2,178
	U.S.A.	Honda of America	8	40		7	35	1,736
Mazda	Japan	Mazda	8	40	1,914			2,173
	Korea	Kia Industry	8	48	2,256	10	60	2,910
	New Zealand	Mazda of NZ	8	40	1,872		40	
Mitsubishi	Japan	Mitsubishi Motors	8	40	1,871			2,178
	China	China Motor	8	40	2,248	7.5	45	2,100
	Portugal	Univex	9	45		9	45	

Source: International Metalworkers Federation.

Nissan

Continued from Page E-26

system and broadcasting systems are being modified and upgraded to accommodate both cars and trucks in the same system. We're also working to modify material handling systems and inspection equipment to accommodate the car lines.

How much local sourcing of components is planned?

Our local sourcing for the Sentra will initially be limited to those parts which we're already using for the trucks, such as tires, batteries, labels, bulk material, and those which do not require long lead time. We've awarded business for over \$140 million in parts and components to 88 U.S. companies located in 21 states, and we hope to do Sentra business with as many of these as possible. We'll be searching for new U.S. sources for the Sentra as well as the truck, and we'll buy additional local parts as quickly as we find U.S. suppliers who can meet our criteria for quality, cost and delivery.

How many new employees will

be required at Smyrna?

In order to accommodate passenger car production, we'll be increasing our employee body from a current level of 1,900 to around 3,000. Training for both new and current personnel will again be a very high priority, and many of the successful elements of our truck training program are being repeated.

What are the specifics of the training program?

We're continuing our cooperative venture with the state of Tennessee to offer a pre-employment training program for candidates for jobs at Nissan. This program offers potential employees a multi-skills training program, and all applicants for plant employment must complete this training conducted by state personnel on their own time, and without compensation. Pre-employment is conducted evenings, or on weekends, and lasts at least six weeks. During this time the candidates receive from 60 to 360 hours of training in welding, machine shop, hydraulics, pneumatics, electrical and electronics.

Will trainees be sent to Japan for instruction?

For our truck launch we sent almost 400 supervisory personnel and technicians to various Nissan plants in Japan to get hands-on experience for periods ranging from six to 40 weeks. Since we now have a facility to train in and are in production, such extensive overseas training will not be necessary. However, we do plan to send around 90 employees to Japan in the next two years as part of our Sentra training and engineering coordination. We'll also have about 50 employees of Nissan from Japan with us for various periods over the next three years to assist with the launch of the Sentra.

Why was the Sentra chosen to be produced at Smyrna?

I think our chances for success are increased significantly by our choice of passenger car model. The Sentra is one of the most popular car models in the world. Last year Nissan produced over 556,000, and over 214,000 were sold in the U.S. It is the top selling import car in this country, and Nissan dealers tell me they can't begin to meet the current demand for Sentras because of the import quotas. □

LANDMARK DATES FOR NISSAN

April 17, 1980	Nissan Motor Co. Ltd. announces decision to establish U.S. manufacturing venture.
August 1, 1980	Marvin T. Runyon hired as president and chief executive officer.
October 30, 1980	Site in Smyrna, Tenn., selected.
January 19, 1981	Hoover Universal Inc. announced as first U.S. parts supplier.
February 3, 1981	Groundbreaking for facility.
July 6, 1981	First steel erected for 3.4 million square-foot facility.
October 16, 1981	First group of technicians leave for training in Japan.
February 22, 1982	\$4 million training center opens.
April 23, 1982	First piece of equipment installed.
December 1, 1982	Employees complete first million safe-work hours.
January 10, 1983	Phase I—27 trucks are built to train employees and equipment check.
February 27, 1983	Phase II—60 trucks are built for further refinement of training and equipment calibration.
March 10, 1983	Job I, first truck for U.S. market completed.
May 20, 1983	Dedication and grand opening.
June 16, 1983	Announcement that Sentra passenger cars as well as trucks will be built at Smyrna beginning in April 1985.
October 21, 1983	
May 11, 1984	

Japan's six-month exports

By region	6 mos., 1984	Share of total	6 mos., 1983	Change on '83
South-East Asia	289,361	9.6	259,361	+ 11.4
Middle East	248,604	8.2	358,530	- 30.7
Europe	694,371	23.0	676,032	+ 2.7
EEC	535,073	17.7	475,982	+ 12.8
North America	1,333,254	44.1	1,210,044	+ 10.2
U.S.A.	1,225,209	40.6	1,104,862	+ 10.9
Central America	93,710	3.1	80,357	+ 16.6
South America	28,435	0.9	28,589	- 0.5
Africa	112,055	3.7	93,436	+ 19.9
Oceania	211,500	7.0	161,224	+ 31.2
Others	8,735	0.3	5,605	+ 55.8
Total	3,020,028	100.0	2,873,636	+ 5.1

Most exports in three years

Japanese production hits record level

Japanese vehicle exports in the first half of this year were at their highest level since the record year of 1961. At 3,020,028, they were up 5.1 percent over the same period of 1983, but were still short of the 3.19 million achieved in the first six months of 1981.

However, Japanese production levels this year are at a record high. At the end of June a total of 5,792,072 vehicles had been manufactured, a 3.8 percent improvement over the equivalent period last year.

Furthermore, the numbers are higher than those for the

Japan's exports by country

1 U.S.A.	1,225,209 (1)*
2 West Germany	166,793 (5)
3 UK	149,962 (3)
4 Australia	143,798 (4)
5 Saudi Arabia	134,963 (2)
6 Canada	108,045 (6)
7 Indonesia	75,071 (9)
8 Netherlands	70,785 (8)
9 Malaysia	62,430 (7)
10 Thailand	54,486 (11)

*Position after six months, 1983. Source: JAMA

opening half-years of 1980-81, when the country went on each year to build in excess of 11 million units. Following the record 11.18 million of 1981, output dipped and has been climbing steadily back since then.

These high volumes are being bolstered by strong domestic demand. In the first six months of this year Japanese registrations of all vehicles rose by 5.5 percent to 2,789,154. And yet last year turned out to be an all-time high for Japanese vehicle consumption, with more than 5.38 million registrations in total.

On the export front, a drop of more than 30 percent in shipments to the Middle East was Japan's major concern. This was on account of a substantial decline in exports to Saudi Arabia, one of Japan's key markets behind the United States. Exports to Israel and Syria fell sharply too.

While Saudi Arabia dropped from No. 2 to fifth in the export league table, it was replaced by West Germany. The German increase—more than 45,000 units—was the main reason for the increase in shipments to Europe as a whole. □

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full line of vehicles that can go from front to "On Demand"™ Four Wheel Drive. We also offer Turbo-Traction™ — a combination of fuel injected turbo charging, "On Demand" Four Wheel Drive and automatic transmission. Both are innovations we pioneered.

At Subaru, being a pioneer in technology means we've discovered new ways to give you more for your money.

You save a lot when you buy a Subaru. And a lot more when you drive it.

Every Subaru — (Our practical Hatchback, family size Wagon, sporty Two Door Hardtop, open

back Brat, even our luxury Four Door Sedan) is designed to meet the demands of the economy as well as it meets the demands of the road. The engineering that goes into a Subaru, and the high mileage** you get out of one, make it inexpensive to own. And drive.

What's more, many dealers also offer Subaru Added Security. It's the only extended service contract backed directly by Subaru.

So think about it. Is Subaru offering too much for the money? Or is everyone else offering too little?

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Safety sense

Bridgestone makes it

TOKYO. — Bridgestone Corp., producer of tires and rubber products, has developed what it calls "a hypersensitive safety sensor utilizing a new high pressure conductive rubber."

The sensor, which is said to be constructed to react faster than switches currently available, has a wide range of industrial, commercial and transportation safety applications.

The safety sensor is composed of silicon rubber with a nickel corpuscle core. When pressure is applied to the sensor the corpuscles merge together quickly allowing for the flow of electricity.

Flexibility of the sensor is achieved through the use of a pliable raw casing material, said to result in easy installation of the switch. A prototype sensor reportedly was tested more than 10 million times to ensure durability.

Moreover, the sensor is said to be heat resistant, oil resistant, waterproof and able to withstand severe temperature changes. The sensor can be cut to any length, which allows for positioning in difficult locations.

Many applications are anticipated for the safety sensor. It can be used as an emergency stop in elevators and electric doors, or as a contact alarm on car and truck bumpers. By attaching the safety sensor to doors, windows and balconies the product can function as a burglar alarm. Similarly, it can be used as a warning device in automated factories. This sensor can also be attached to road surfaces and stairway entrances to count vehicles and people. □



Seatbelts save lives.

*Suggested retail price for our STD Hatchback. Dealers' actual price may vary. Price does not include dealer prep, inland transportation, taxes, license, and title fees. Certain items shown optional at extra cost.

**EPA EST. MPG: 46. EPA EST. HWY 1984 EPA estimate for our STD Hatchback. EPA EST. MPG for comparisons. Your actual mileage will probably be less. © Subaru of America, Inc. 1983

factories list auction dates

American Motors

Oct. 23—Aptco Auto Auction, Taylor, Mich. (2 p.m.).

Oct. 23—High Point Auto Auction, High Point, N.C.

Oct. 24—Southern Auto Auction, Warehouse Point, Conn.; Metro Milwaukee Auto Auction, Caledonia, Wis.; Columbus Fair Auto Auction, Obetz, O.; Kansas City Auto Auction, Kansas City, Mo., and Central States Auto Auction, Mason City, Ia.

Oct. 25—Evansville Auto Auction, Evansville, Ind.; Corry Auto Auction, Corry, Pa., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Oct. 26—Floyd Hauhe Auto Auction, Bridgeton, Mo., and Concord Auto Auction, Acton, Mass.

Oct. 30—D-A Auto Auction, New Stanton, Conn.

Ford Motor Co.

Oct. 23—Aptco Auto Auction, Taylor, Mich.

Oct. 24—Lakeland Auto Auction, Lakeland, Fla.; Brasher's Southern California Auto Auction, Fontana, Calif.

Oct. 25—Nashville Auto Auction, Nashville; 166 Auto Auction, Springfield, Mo.

Nov. 1—Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; Skyline Auto Exchange, Fairfield, N.J.

Chrysler Corp.

Oct. 23—Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Baltimore Washington Auto Exchange, Baltimore, Md., and Florida Auto Auction of Orlando, Ocoee, Fla.

Oct. 24—Minneapolis Auto Auction, Plymouth, Minn., and Columbus Fair Auto Auction,

Obetz, O.

Oct. 25—Clanton's Auto Auction, Darlington, S. C., and Golden Gate Auto Auction, Fremont, Calif.

Oct. 26—Concord Auto Auction, Acton, Mass., and Floyd Hauhe Auto Auction, Bridgeton, Mo.

General Motors

Oct. 23—Florida Auto Auction of Orlando, Ocoee, Fla., and Aptco Auto Auction, Taylor, Mich.

Oct. 24—Brasher's Southern California Auto Auction, Fontana, Calif.

Oct. 25—Floyd Hauhe Auto Auction, Bridgeton, Mo.

Oct. 31—Hatfield Auto Auction, Hatfield, Pa., and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Used Car Sales

Auction Averages

October to date	\$4,902
Month ago	\$4,802
Year ago	\$5,287

Model breakdown

Auction Averages

	OCT. To Date	SEPT. 1984	AUG. 1984
1984.....	\$9,993	\$9,747	\$9,848
1983.....	7,537	7,364	7,926
1982.....	6,052	5,762	5,978
1981.....	4,394	5,020	5,230
1980.....	3,943	3,932	4,494
1979.....	3,086	3,237	3,632
1978.....	2,320	2,346	2,551
1977.....	1,536	2,213	1,997
Overall Average	\$4,902	\$4,894	\$5,316



Estep signs with Chevy

Lee E. Estep signs an agreement for Estep Chevrolet-Oldsmobile-GMC, Inc., Yerington, Nev. Witnessing, from left, are: James L. Campbell, financial participant; J. R. Davis, truck manager, and G. C. Davis, Chevrolet assistant zone manager.

Quarter's results trailed only '83, Fleetwood says

Continued from Page 16

in the future in spite of the fact that the first-quarter results ended Fleetwood's string of six consecutive quarters of record sales and earnings.

Joseph J. Morris, Champion president, said second-quarter sales and revenues amounted to a record \$99.7 million, up 8 percent from last year's \$92.5 million. Net profits totaled \$2.9 million, up 32 percent over the year-ago \$2.2 million.

He noted that gains in manufactured housing were mainly responsible for the strong second-quarter performance, but said "our motor-home, bus and van-conversion business also showed substantial sales and profit improvement."

"Although the motor-home market is softening," Morris added, "we expect our two motor-home plants as well as our one bus plant to remain profitable in our current third quarter."

Factory shipments of these vehicles, he said, were up 6 percent to 477 units, compared with 448 a year ago.

Dan Pocapalia, KIT chairman, said third-quarter earnings amounted to \$244,000, compared with \$64,000 a year ago, and included a \$112,000 tax credit.

Three-month sales totaled approximately \$12.6 million, down from last year's \$14.4 million.

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Anticipating shortages from Canada strike

GM scraps Saturday car work

By Louise Kertesz
Detroit Reporter

Last week's estimated auto production total may prove optimistic, since the Canadian strike could have resulted in component shortages and slow-downs at several General Motors plants in the U. S.

Anticipated shortages were the likely reason GM scheduled no Saturday overtime at any of

its car assembly plants — for the first time since August.

Makers targeted assembly of 159,970 cars last week, down 1.01 percent from the previous week's 161,605, though the Big Three all expected gains.

The dip was the result of American Motors' halting production of Alliance and Encore at Kenosha (for the second week this month), which cut

about 4,800 units from the production total.

Last week's estimated production was off 0.40 percent from the year-ago week's 160,611.

So far this year, 6,376,382 cars have been completed in the U. S., an increase of 18.80 percent over the 5,367,281 assembled last year at this time.

Companies shared last week's production as follows: GM, 53.75 percent; Ford Motor Co., 25.88 percent; Chrysler Corp., 17.88 percent; Honda, 1.86 percent, and Volkswagen of America, 0.63 percent.

Ford scheduled Saturday (Oct. 20) overtime at its Kansas City, Edison (N. J.) and Wixom (Mich.) plants.

Chrysler plants in Belvidere (Ill.), Newark (Del.) and St. Louis (Nos. 1 and 2) worked two nine-hour daily shifts last week. The Jefferson Ave. (Detroit) plant worked two 8½-hour daily shifts.

U. S. CAR PRODUCTION

	Week Ended Oct. 20, 1984	Week Ended Oct. 22, 1983	Week Ended Oct. 13, 1984	Oct. 1 to Oct. 22, 1984	Jan. 1 to Oct. 22, 1983	Jan. 1 to Oct. 20, 1984
AMERICAN MOTORS						
AMC Total	5,098	4,737	4,737	151,954	154,302	
Eagle				4,071	4,071	
Renault Total	5,098	4,737	4,737	147,883	154,302	
Alliance	3,518	2,937	2,937	127,504	87,510	
Encore	1,580	1,800	1,800	20,379	66,792	
CHRYSLER CORP.						
Plymouth Total	28,600	24,784	26,185	85,627	713,273	1,004,678
LeBaron	9,400	8,282	8,960	28,757	251,803	305,130
Horizon	3,100	3,204	3,469	10,545	95,523	130,290
Reliant	4,700	4,851	4,025	13,515	151,772	143,126
Caravelle	1,100	193	995	3,221	4,255	14,317
Gran Fury	500	34	471	1,476	253	17,397
Chrysler Total	8,300	7,023	7,472	24,459	175,493	327,083
LeBaron	2,400	1,832	2,200	7,210	70,344	95,371
LeBaron GTS	200			612		612
Laser	1,600	1,417	1,517	4,725	10,406	58,062
New Yorker/E-Class	1,800	2,473	1,498	4,999	90,057	76,891
Fifth Avenue	2,300	1,301	2,035	6,913	4,684	96,147
Dodge Total	10,900	9,479	9,753	32,411	285,977	372,465
Omni	2,900	3,547	2,776	9,005	104,208	121,474
Aries	4,000	3,394	3,318	11,258	114,797	114,307
Daytona	1,200	1,192	1,046	3,533	8,045	43,332
Dodge 400					18,478	
Dodge 600	1,400	1,256	1,335	4,552	39,955	61,398
Lancer	200			532		532
Diplomat	1,200	90	1,094	3,531	494	31,422
FORD MOTOR						
Ford Division	41,399	37,723	41,002	123,770	1,223,658	1,435,117
Escort	26,246	25,650	26,497	80,335	791,608	930,012
Fairmont	7,221	6,767	7,611	22,200	219,592	282,259
Mustang					23,728	
LTD	3,188	3,317	3,221	9,931	94,033	112,076
Thunderbird	5,237	4,875	5,433	16,103	140,372	183,399
Crown Victoria	3,190	3,880	3,249	9,581	155,820	120,703
EXP	1,868	2,037	1,878	5,621	76,871	67,689
Tempo	1,099	164	1,291	3,474	1,448	33,315
L-M Division	4,443	4,530	3,814	13,425	79,744	130,571
Mercury Total	15,153	12,073	14,505	43,435	432,050	505,105
Lynx	10,991	10,698	10,879	31,456	348,183	368,679
Capri	1,371	1,216	1,550	4,347	61,115	56,885
Zephyr	782	613	732	2,016	19,997	14,246
Marquis					8,601	
Cougar	3,038	1,937	2,799	8,275	59,966	95,356
Grand Marquis	2,645	3,819	2,689	7,948	100,361	92,404
LN7	1,752	1,607	1,736	5,235	75,618	75,157
Topaz					290	
Lincoln Total	1,403	1,506	1,373	3,635	22,235	34,631
Continental	4,162	1,375	3,626	11,979	83,867	136,426
Lincoln	755	253	652	2,166	9,247	30,198
Mark VI/VII	2,952	353	2,569	8,491	53,170	84,115
GENERAL MOTORS	455	769	405	1,322	21,450	22,113
Skylark	86,001	89,226	85,522	262,146	3,163,548	3,612,747
Skyhawk	21,718	16,934	24,206	70,020	719,456	803,877
Somerset Regal	2,805		3,214	9,247	88,323	89,477
Century	1,017	1,278	2,329	5,350	57,271	111,739
Regal	2,469		1,704	5,995		11,583
LeSabre/Electra (rwd)	5,202	4,401	5,626	16,795	135,387	184,420
Riviera	2,575	4,321	3,222	8,777	198,821	150,394
Electra (fwd)	4,475	5,487	4,275	14,123	198,136	168,679
Cadillac Total	1,250	1,507	1,498	3,894	41,518	41,577
Cimarron	1,925		2,338	5,839		46,008
Seville	7,651	8,102	7,672	22,567	247,237	268,483
Eldorado	1	469		1	16,363	13,375
Cadillac	875	921	1,046	2,658	28,241	30,956
DeVille (fwd)	1,395	1,754	1,680	4,709	60,081	61,412
Chevrolet Total	1,920	4,958	1,552	5,013	142,552	97,385
Chevette	3,460		3,394	10,186		85,355
Cavalier	23,730	30,701	22,585	74,520	1,046,799	1,233,407
Celebrity	2,675	4,466	2,813	8,716	166,916	148,429
Corvette	3,592	7,952	4,708	17,727	241,958	335,317
Camaro	7,228	5,688	5,709	20,909	128,816	238,260
Citation	2,155	4,884	1,239	4,328	155,175	189,790
Malibu/El Camino	1,720		2,178	5,245	72,668	90,669
Monte Carlo	618	587	275	1,310	96,706	19,812
Chrysler	1,784	3,923	2,313	5,748	90,427	85,460
Corvette	2,998	2,426	2,550	8,272	72,471	98,567
Oldsmobile Total	960	775	800	2,263	21,662	27,103
Omega	23,025	22,452	19,308	61,665	815,798	869,062
Firenza					46,885	29,289
Cutlass Supreme	813	916	1,550	3,838	36,189	57,669
Cutlass Ciera	3,400	7,324	3,535	11,406	242,440	209,403
88/98 (rwd)	4,042	5,339	2,982	9,012	170,217	201,196
Olds 98 (fwd)	7,738	7,761	5,756	19,633	286,420	262,141
Calais	2,750		2,732	8,398		60,246
Toronado	3,377		1,673	6,504		13,295
Pontiac Total	905	1,112	1,080	2,674	33,647	35,823
Acadian	9,877	10,977	11,751	33,374	334,258	437,918
2000 Sunbird					12,226	
1000					693	
Firebird	901	2,700	2,709	6,378	88,024	117,131
Phoenix	728	626	867	2,658	34,847	33,525
Grand Prix/Bonneville	1,136	2,686	673	2,343	79,043	88,590
Parisienne					21,291	14,116
Fiero					78,323	29,733
Grand Am	1,845	836	2,392	6,950	8,040	34,640
Honda	2,760	1,895	3,237	8,836	12,646	99,319
Volkswagen	2,507		1,574	5,516		8,617
Total Cars, U.S.	2,970	1,395	3,142	8,986	38,719	109,593
Total Cars, Canada	1,000	2,385	1,017	2,704	76,129	59,945
TRUCK PRODUCTION IN U.S.†						
CHEVROLET	20,715	16,553	17,878	57,569	667,821	802,826
DODGE	5,400	4,143	4,172	13,686	112,548	167,893
FORD	25,464	23,378	26,443	77,570	742,460	962,472
GMC	7,292	5,499	6,509	20,138	210,304	261,896
INTERNATIONAL	1,578	1,319	1,557	4,712	40,815	61,656
VOLKSWAGEN					2,079	
JEEP	3,700	2,992	3,491	10,485	78,757	150,795
NISSAN	2,000	892	2,212	6,362	7,273	77,579
AM GENERAL	50*	50*	50*	150*	2,030*	2,110*
MISCELLANEOUS	1,000*	1,000*	1,000*	3,000*	40,600*	42,000*
Total Trucks, U.S.	67,199	55,826	63,312	193,672	1,904,687	2,529,227
CANADIAN CAR PRODUCTION						
Week Ended Oct. 20, 1984	Week Ended Oct. 22, 1983	Week Ended Oct. 13, 1984	Oct. 1 to Oct. 22, 1984	Jan. 1 to Oct. 22, 1983	Jan. 1 to Oct. 20, 1984	
AMERICAN MOTORS	610	728	488	1,098	23,034	18,080
CHRYSLER CORP.					104,365	
FORD MOTOR	11,040	5,904	8,423	29,638	208,790	349,469
GENERAL MOTORS	6,300	13,062	9,479	27,563	423,812	477,648
VOLVO	225	225	180	585	8,502	8,371
Total Cars, Canada	18,175	19,919	18,570	58,884	768,503	853,568
TRUCK PRODUCTION IN U.S.†						
CHEVROLET	20,715	16,553	17,878	57,569	667,821	802,826
DODGE	5,400	4,143	4,172	13,686	112,548	167,893
FORD	25,464	23,378	26,443	77,570	742,460	962,472
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Week Ended Oct. 20, 1984	Week Ended Oct. 22, 1983	Week Ended Oct. 13, 1984	Oct. 1 to Oct. 22, 1984	Jan. 1 to Oct. 22, 1983	Jan. 1 to Oct. 20, 1984	
CHRYSLER CORP.	8,260	3,328	8,735	22,531	103,349	291,672
FORD MOTOR	2,725	3,360	3,496	9,524	110,879	123,593
GENERAL MOTORS	2,840	6,150	4,757	13,225	207,822	229,641
INTERNATIONAL	215	132	172	603	4,504	6,768
Total Trucks, Canada	14,040	12,970	17,160	45,883	426,554	651,674
N. American Trucks	81,239	68,796	80,472	239,555	2,331,241	3,180,901

CANADIAN CAR PRODUCTION

	Week Ended Oct. 20, 1984	Week Ended Oct. 22, 1983	Week Ended Oct. 13, 1984	Oct. 1 to Oct. 22, 1984	Jan. 1 to Oct. 22, 1983	Jan. 1 to Oct. 20, 1984
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Automotive News

October 29, 1984

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60th year—\$40 per year, \$1.00 per copy

Canada strike affects 27 GM plants in U.S.; talks continue

By Marjorie Sorge
Labor Editor

The UAW and General Motors of Canada were "cautiously optimistic" at prestime that a new agreement could be reached quickly, ending a 10-day walkout by 36,800 GM workers.

The strike, which is costing GM about \$100 million a week, forced the layoff of another 35,190 workers at nine assembly and 18 component plants in the U. S. because of parts shortages caused by the walkout.

If the strike should continue, the layoff total will climb and some sources predicted that two-thirds of the 350,000 UAW-represented GM workers would be off the job this week.

GM suppliers would also be hit. According to one union source, between 300,000 and 400,000 workers at GM and supplier companies could be off the job.

Once a settlement is reached, it will take another week to get the workers back on the job. They will not return to the plants until the pact is ratified. A meeting of the GM Council will be scheduled a couple of days after the agreement is reached. Then, membership meetings will be held to explain the new contract.

The UAW and GM had been deadlocked in talks until last Wednesday (Oct. 25) when UAW Vice President Robert White said the two sides "produced a format that unlocks the doors." The formula is economic and provided some manner of reaching a wage settlement.

A GM spokesman said the company wants to get a settlement as quickly as possible and is "optimistic."

The UAW has said it wants to recover the annual improvement factor (AIF) that was given up in 1982 bargaining and will not agree to divert cost-of-living-adjustment (COLA) pennies to the company.

The GM-UAW agreement in the U. S. does not return the AIF and diverts 13 cents in COLA to help pay for some benefits. In the initial proposal from GM in Canada to the UAW, the company asked for a 22-cent COLA diversion.

• The Canadian UAW also wants more time off the job either in a shorter workweek or the return of nine paid personal holidays (PPH) days a year. The U. S. workers were

Continued on Page 60, Col. 4

Smoother Pontiac



Jim Dunne

Aerodynamic 6000 STE for 1986

Unofficial photo of the 1986 Pontiac 6000 STE shows a more pronounced wedge shape and a more aerodynamic front end, featuring European-style headlamps instead of the six square lamps on the '85 model. Turn signals have been moved from the bumper to grille.

breaking news

DOT seeks ad agency for belt campaign

WASHINGTON.—DOT is looking for an ad agency to coordinate its four-year, \$80 million nationwide seat-belt-use campaign. U. S. makers and importers, as well as other companies and organizations, are expected to contribute a like amount. DOT is expected to make its selection by Nov. 15.

Antitheft law singles out some models

WASHINGTON.—President Reagan has signed legislation that will require makers of cars in a "high-theft" category to put vehicle identification numbers on at least 11 more major parts. Currently, VINs are required only on the engine block, transmission housing and instrument panel.

Court throws out clean-air offsets

WASHINGTON.—The U. S. Court of Appeals here has thrown out a novel EPA policy that permitted makers, on a case-by-case basis, to promise to build cars with emission levels below established standards in order to compensate for current models not meeting standards. EPA used the offset policy to deal with about 700,000 '79-model GM cars which were exceeding the NOx standard. GM offset those with about 2.3 million 1982-1983-model cars certified at 0.1 gram per mile below the standard.

Volvo prepares to go Dutch in U. S. in 1986

HELMOND, Netherlands. — Andre Deleze, chairman of Volvo Car here, was a recent visitor to Washington. He was preparing the groundwork for the launch in the U. S. in the final quarter of 1986 of the new generation Dutch-built Volvo.

15 DeLorean aides sued in bankruptcy; \$200 million asked

By Michelle Krebs
and Edward Lapham

Fifteen former officers and directors of DeLorean Motor Co. have been sued in U. S. Bankruptcy Court in Detroit for more than \$200 million in damages for alleged fraud and mismanagement of the defunct car company.

In New York, a lawsuit seeking \$150 million from Arthur Andersen & Co., the auditing firm for DMC, also was filed. The suit alleges fraud and malpractice.

Both suits were filed by David W. Allard Jr., trustee for DMC in the bankruptcy proceedings.

The Detroit suit seeks more than \$100 million in exemplary damages and \$100 million in punitive damages.

The Detroit suit charges the group with "blatant and unbridled mismanagement" as well as being involved in or, at least, failing to prevent "fraudulent schemes to divert and convert assets" of the company for their personal gain and/or that of John Z. DeLorean.

DeLorean, himself, was not named in the suit since he has already been named in similar actions.

The suit accuses the group of allowing DeLorean to comele \$15 million of corporate funds in his personal bank accounts in his attempts to "loot" the company.

It also claims the group played a part in converting or losing the nearly \$18 million allocated for research and development of the DeLorean automobile, which vanished into a European bank maze.

The suit alleges the directors and officers allowed corporate funds to be used for such personal items as the upkeep of DeLorean's plush Park Ave. offices in New York at a cost of more than \$10 million a year and the promotion of his wife's modeling career, including mar-

keting a line of sunglasses and perfumes under her name.

DeLorean's wife, Cristina Ferrare, who has filed for divorce, was named in the lawsuit as she was a DMC director.

Corporate funds also were inappropriately used for, among other things, the development of plans to acquire Chrysler Corp., the suit said.

• Named in the Detroit suit are Robert Weld Benjamin, a DMC director; Henry I. Bushkin, a DMC director and California attorney representing celebrity Johnny Carson's interest in DMC; Mary Jacqueline Feddock, DMC's assistant secretary; Robert S. Gay, a director, and Roy S. Nesseth, a director and an officer.

Also: Dennis A. Patouhas, controller; Joseph H. Penrose, vice president; James H. Season, a director and assistant treasurer; Edward L. Smith, a director and president of Composite Technology Corp., a DMC subsidiary, and James G. Stark, a director.

Also: Richard C. Swanson, a director, and his firm, Swanson Insurance Agency, the insurance agent of DMC; Thomas W. Kimmerly, a Bloomfield Hills (Mich.) attorney and certified public accountant and DMC director, as well as his partner, Ted M. Gans and business associate Mary A. Thoman, a certified public accountant.

Also named in the suit were Midland Insurance Co. and Scarborough & Co., a division of Ryan Services Corp. The companies allegedly sold liability insurance covering the officers and directors.

The trustee contends the unsecured creditors have been placed in a perilous position by the companies, which refuse to confirm such policies exist, because under Michigan law, they lose the right to collect on the insurance if the action does not

Continued on Page 61, Col. 1

Young talent promoted; product cycle shortened

Reuss details operations of GM 'supergroup'

By Richard Johnson
Detroit Reporter

General Motors' Chevrolet-Pontiac-GM of Canada (CPC) "supergroup" will be "structurally in place" by the end of the year, according to CPC group executive Lloyd Reuss, who laid out details of the ongoing reor-

ganization to the Detroit Auto Writers Group.

The former Buick general manager, who was named to head one of the corporation's two car groups, outlined a shortened chain of command at CPC and cited leapfrogging of talented young managers to key positions within the group.

He said the new structure is geared in large part to reducing the product development cycle from five years to three, and increasing GM's share of the entry-level buyer market. CPC is also placing broad emphasis on how CPC compares with international competition.

Reuss said an important decision to be made at CPC within the next two years is how to compete for the post-baby-boom car-buying segment. He said the various GM car platforms were aligned within the two supergroups not on the basis of car size, but with an eye to markets targeted by CPC and Buick-Oldsmobile-Cadillac in the future.

During the luncheon, Reuss also said:

1. The group recently received approval for a major technical upgrading of two existing engines for the 1987 model year.

2. Sourcing of the 1988 GM10 program is nearly 80 percent completed, representing the earliest such assemblage of component suppliers on a new product.

3. The much-touted Saturn small-car project will move into the CPC group by the end of the year. The most important aspect of the Saturn project will be application of manufacturing advances derived from the program before the car itself hits the market.

4. GM considered building a fiberglass-bodied, front-drive minivan vehicle in the late 1970s, but decided there would

Continued on Page 57, Col. 3

Mullane vows second front in subsidy war

By John A. Russell
New York Staff Writer

HACKENSACK, N. J.—A second tactic to stop fleet subsidies through state legislation is developing among dealers since federal action has been brought to a halt in this Congress.

Ed Mullane, president of the Ford Dealers Alliance (FDA), said recently that "in addition to pressing forward again (the federal bill has to be reintroduced next year) in Washington, we will open a second front in the state capitals and seek state legislation to end fleet subsidies."

Mullane told AUTOMOTIVE NEWS that several Eastern dealers held a meeting with W. L. McCulloh, an Oklahoma dealer; Ed Perry, president of the Oklahoma Automobile Dealers Assn., and John Conner, the association's executive vice president.

They outlined to the Eastern state representatives the features of their bill which the association attempted to have passed in Oklahoma earlier this year.

The Oklahoma bill would require manufacturers to sell to dealers in the state at the lowest price the company charges any purchaser in any U. S. state.

• The bill was defeated after a massive lobbying effort by General Motors.

But, Mullane said, Oklahoma dealers intend to introduce the bill again next year, and the FDA president wants other state associations to push for similar state laws.

If several states controlling major markets managed to enact this type of legislation, subsidies would be stopped, he said.

Mullane was realistic about the chances for the federal bill, H.R. 5305. "Unless this Congress goes back into a lame duck session, which is highly unlikely, the bill will not pass this year," he said.

He laid the blame for stopping the legislation on Rep. John Dingell, Michigan Democrat and chairman of the House Energy and Commerce Committee.

NHTSA adopts test

WASHINGTON. — NHTSA has adopted an equivalency test to gauge the ability of different seat-belt materials, such as nylon and polyester webbing, to hold up under exposure to light.

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60th year — No. 5046

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semi-weekly the fourth week in April at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 740 Rush Street, Chicago, IL 60611.



A Tiger from China

The Chinese-built Beijing Tiger 212, which a U. S. import company hopes to market in this country, will be on display at the South Florida Auto Show Oct. 27-Nov. 4 at the Miami Beach Convention Center. The four-wheel-drive, five-passenger utility vehicle is powered by a four-cylinder, 2.4-liter engine.

But AMC may oppose their import

Chinese 4WDs being tested in U. S.

By Richard Johnson
Detroit Reporter

Four Beijing "Tiger 212" vehicles have been brought into the U. S. for government certification testing by an import company which hopes to market the Chinese-built, four-wheel-drive utility vehicles in this country.

But the importer, China Trade Associates, may run into opposition from American Motors, partner of Beijing Automotive Works in a joint Jeep production venture in the People's Republic of China.

A four-door, five-passenger canvas top "Tiger 212" — the same vehicle being produced by Beijing Jeep Corp. under the name BJ212 — will be on display later this month at the South Florida Auto Show in Miami Beach. The "Tiger" name was picked for the U. S. market by the import company.

Mike Bassichas, an import dealer in Hollywood, Fla., and a principal in China Trade Associates, said the group is not yet actively soliciting dealers. But if all goes well, the organization hopes to set up a sales network soon and import as many as 5,000 Tiger 212s a year beginning in early 1985.

The group will survey dealer response at the auto show, which runs from Oct. 27 through Nov. 4 at the Miami Beach Convention Center. Testing will be conducted at the EPA emission laboratories in Ann Arbor, Mich.

Bassichas said he hopes safety and emissions testing will be completed within 90 days, and that whatever modifications are necessary will not dissuade Beijing Automotive Works from participating in the project.

"We have an agreement with them subject to certification," he said. "But they don't want to export something they have to do too much work on."

• The vehicles arrived about a month ago at the port in Tampa, according to Bassichas, who said 15 to 20 dealers have either signed on or expressed an interest in retailing the Tiger 212. The dealerships are in Florida, Texas, California and New Jersey.

He said the group will seek to round up dealers once certification testing is completed and final terms are worked out with Beijing Automotive Works. Bassichas said he does not expect the vehicle, which is powered by a four-cylinder, 2.4-liter

engine, to require many alterations for the U. S. market.

"It is a pretty straightforward unit that doesn't need that much," he said. "It may need some emission control items, some small modifications, but nothing horrendous. They (Beijing) have the wherewithal to make the modifications we want, but it will depend on whether it is economically suitable for them."

While China Trade Associates could make some small adjustments once Tigers are shipped to the U. S., he said the group prefers to have them made certifiable on the assembly line in China.

"We'll start looking for dealers as soon as we put our deal together with the factory," he said. "We know exactly what we're getting and how much it costs," Bassichas said.

He said the import company hopes to sell the vehicles in the U. S. for about \$6,500 — well below the price of Jeep products and other four-wheel-drive entries in the U. S. market.

He said the Tiger, which has both two- and four-wheel-drive capability, is strictly a utility vehicle. It has been pegged as ideal for sportsmen and for a variety of commercial functions, such as moving, construction, oil and logging company workers over rough terrain.



Born-again Ferraris

Geneva-based William Favre has begun production of a series of 25 exact replicas of the 1962 Ferrari GTO, left, and three replicas of the 1957 Testarossa, right. These two all-aluminum models are being built in Italy, the GTO on original Ferrari chassis and the Testarossa on chassis based on factory designs. Engines are V-12s from Ferrari 250 GTs of the 1960s, rebuilt to deliver 280 HP. Five firm orders have been taken for the cars, which cost about \$135,000.

Buffeted by strikes and layoffs

Mid-month car sales trail year-ago totals

By Jenny L. King
Staff Writer

Tripped by scattered UAW strikes and forced layoffs at General Motors, the domestic auto makers' October pace slackened in the race to return sales to the heights reached in the '70s.

New-car sales were off for only the fourth time in the 29 reporting periods of the current calendar year, with Oct. 11-20 results 6.47 percent behind the preceding year's total.

General Motors, which habitually captures 55 to 64 percent of the domestic market,

dropped 15.90 percent in sales and several percentage points in market share.

Ford Motor Co. and Chrysler Corp. showed gains for the period but could not overcome the GM dip.

Domestic sales for mid-October were down to 220,112 from 235,334 last year. GM, with inventories squeezed by strikes and layoffs, was down 15.90 percent, to 120,566 from 143,368. Ford raised its total 9.98 percent, to 61,211 from 55,658, and Chrysler was up 8.10 percent, to 29,377 from 27,175.

American Motors released a sales estimate of 4,175 for mid-October, down 13.02 percent from its year-ago 4,800 estimate. Volkswagen was off 56.25 percent, to 1,123 from 2,567, while Honda doubled its total, to 3,660 from 1,766.

• GM's share of the domestic market plunged to 54.77 percent from 60.92 percent. Ford climbed to 27.81 percent from 23.65 percent. Chrysler was up to 13.35 percent from 11.55 percent. AMC slipped below the two-percent mark, to 1.90 percent from 2.04 percent. VW earned only 0.51 percent, down from 1.09 percent, and Honda was up to 1.66 percent from 0.75 percent a year earlier.

All the makes from Chrysler and Ford came out ahead during the period, and all GM's divisions fell behind. Plymouth was up 6.68 percent, Chrysler was up 8.00 percent and Dodge was up 9.25 percent.

Ford was up 7.23 percent, Mercury was up 11.92 percent and Lincoln posted a 34.24-percent sale gain.

At GM, Buick was down 15.16 percent, Cadillac was off 0.93 percent, Chevrolet slipped 7.52 percent, Oldsmobile plunged 35.67 percent and Pontiac was down 5.48 percent.

Renault sales were up an estimated 0.91 percent while AMC dropped 68.75 percent.

With nine selling days in the mid-month period both this year and last, the daily rate was down 6.47 percent, to 24,457 from 26,148.

Year-to-date domestic sales reached 6,545,494, up 21.02 percent from 5,408,459 in 1983.

DOMESTIC SALES

	Oct. 11-20, 1984	Oct. 11-20, 1983
Renault		
Alliance/Encore	3,875†	3,840†
AMC	300†	960†
AMERICAN MOTORS	4,175†	4,800†
Chrysler	9,959	9,221
Imperial		5†
Plymouth	7,954	7,456
Dodge	11,464	10,493
CHRYSLER CORP.	29,377	27,175
Ford	41,075	38,304
Mercury	15,843	14,156
Lincoln	4,293	3,198
FORD MOTOR CO.	61,211	55,658
Buick	26,899	31,705
Cadillac	9,521	9,610
Chevrolet	39,873	43,114
Oldsmobile	24,375	37,888
Pontiac	19,898	21,051
GENERAL MOTORS	120,566	143,368
VOLKSWAGEN	1,123	2,567
HONDA	3,660	1,766
U. S. INDUSTRY		
TOTAL	220,112	235,334

†—Estimate.



From O'Gara Coachworks

O'Gara Coachworks, Simi Valley, Calif., designs the Windsor Series. Included in this series of Cadillac Sedan DeVille limousines is the Moritz, above. The car has an extended wheelbase of 46 inches, upgraded and tuned heavy-duty suspension, auxiliary radiator cooling fan, heavier gauge steel for floor and side members, added crossmember and an added center driveshaft carrier bearing.

Offsetting GM dip in early October

By Jenny L. King
Staff Writer

Booming Ford Motor Co. sales and healthy returns from Chrysler Corp. more than compensated for General Motors' decline as the early-October passenger-car total climbed 17.10 percent above the 1983 sum.

Honda tripled its year-ago 10-day total, American Motors duplicated its figure and Volkswagen was down 6.74 percent. U. S. new-car sales for Oct. 1-10 were 224,792 this year compared with 191,965 in 1983.

Given one more selling day this year — nine compared with eight — the daily selling rate of 24,977 was up 4.09 percent from 23,996.

Year-to-date sales were up 22.27 percent, to 6,325,382 from

5,173,125.

Ford Motor Co. reported a sales gain of 65.68 percent based on this year's 64,192 units compared with the year-ago 38,745. Chrysler Corp. was up 37.09 percent, to 27,574 from 20,114. General Motors slipped 1.81 percent, to 125,121 from 127,428, its fortunes still affected by the brief UAW strike of September.

Honda jumped to 3,203 from 900, a 255.89-percent difference. AMC's estimated 3,650 sales were the same as the year-ago estimate, and VW slipped 6.74 percent, to 1,052 from 1,128.

• GM's share of the early-October domestic market dropped more than 10 percentage points, to 55.66 percent from 66.38 percent last year. Ford earned

28.56 percent, up substantially from 20.18 percent. Chrysler had 12.27 percent, up from 10.48 percent.

Honda sales accounted for 1.42 percent this year compared with 0.47 percent in 1983, its first October as a domestic car maker. AMC slipped to 1.62 percent from 1.90 percent and VW shrank to 0.47 percent from 0.59 percent.

All the Chrysler and Ford makes were up for the period while at GM it was a mixed bag. Chevrolet moved ahead by 22.26 percent, to 40,948 from 33,492, and Pontiac was up 11.31 percent, to 19,073 from 17,135. Cadillac was down 10.32 percent, Oldsmobile was off 17.91 percent and Buick dropped 14.18 percent.

At Chrysler Corp., Plymouth was up 35.52 percent, Chrysler was up 42.40 percent and Dodge was up 33.87 percent. Ford was up 67.90 percent, Mercury was ahead of last year by 62.02 percent and Lincoln beat its year-ago total by 60.68 percent.

AMC dropped 27.27 percent and Renault was up an estimated 4.84 percent.

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DOMESTIC SALES

	Oct. 1-10, 1984	Oct. 1-10, 1983
Renault		
Alliance/Encore	3,250†	3,100†
AMC	400†	550†
AMERICAN MOTORS	3,650†	3,650†
Chrysler	9,205	6,464
Imperial		5
Plymouth	8,382	6,185
Dodge	9,987	7,460
CHRYSLER CORP.	27,574	20,114
Ford	41,676	28,822
Mercury	17,453	10,772
Lincoln	5,063	3,151
FORD MOTOR CO.	64,192	38,745
Buick	25,559	29,783
Cadillac	10,553	11,767
Chevrolet	40,948	33,492
Oldsmobile	28,988	35,314
Pontiac	19,073	17,135
GENERAL MOTORS	125,121	127,428
VOLKSWAGEN	1,052	1,128
HONDA	3,203	900
U. S. INDUSTRY		
TOTAL	224,792	191,965

† Estimated

Chevrolet dealer adopts kangaroo as firm's mascot

HILLSBORO, Ore.—Cal Worthington has his dog Spot, but Bruce Patchett may have done him one better with his kangaroo Skippy.

Patchett, owner of Bruce Chevrolet here, recently purchased a 7-month-old kangaroo to use as a mascot for his store.

Patchett is an Australian native who moved to the U. S. 18 years ago. He learned of dealers using mascots from a painter who specializes in painting windows at dealerships all over the country. The Chevy dealer decided that a kangaroo would be a natural.

The baby marsupial stands only a foot tall, but is expected to be about three feet tall when fully grown. Patchett plans to display the animal in his showroom and will have Skippy trained for use at the dealership and in commercials.

Patchett told a local newspaper that kangaroos can be domesticated and that they are very similar to dogs. The dealer says he plans to show Skippy as a boxer, fighting high prices.